



BEHAVIORAL HEALTH

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Access Alliance of Michigan
5455 Hampton Place
Saginaw, MI 48604
P 989.497.1302 F 989.497.1320
Toll Free 1.800.448.5498

Assertive Community Treatment
P 989.895.2200 F 989.892.1380
Children's Services
P 989.895.2240 F 989.892.4962
Psychological Services
Senior Services
P 989.895.2240 F 989.892.4962
Staff Development Center
P 989.895.2395 F 989.895.2398
1010 N. Madison
Bay City, MI 48708

Arenac Center
P. O. Box 1188
1000 W. Cedar
Standish, MI 48658
P 989.846.4573 F 989.846.5047
Toll Free 1.800.891.2472

Information Systems Alliance
5447 Hampton Place
Saginaw, MI 48604
P 989.497.1317 F 989.497.1310
Toll Free 1.800.288.5309
and
1441 East Maple - Suite 300
Troy, MI 48063
P 248.526.0488 F 248.526.0464

North Bay Center
1961 E. Parish Road
Kawkawlin, MI 48631
P 989.684.2531 F 989.684.8334

Recipient Rights Office
Behavioral Health Center
201 Mulholland
Bay City, MI 48708
P 989.895.2317 F 989.895.2715
Toll Free 1.800.327.4693

Riverhaven Coordinating Agency
5449 Hampton Place
Saginaw, MI 48604
P 989.497.1344 F 989.497.1348

William B. Cammin Ph.D. Clinic;
Hispanic/Emergency/Outreach Servs.
Behavioral Health Center
201 Mulholland
Bay City, MI 48708-7683
P 989.895.2300 F 989.895.2390
Toll Free 1.800.327.4693

TESTIMONY OF BAY-ARENAC BEHAVIORAL HEALTH AUTHORITY

IN SUPPORT OF

SENATE BILL 321

Mental Health Information Technology and Administrative Services Organization

Shari Peltier, Chief Financial Officer
Joseph P. Sedlock, Director, Riverhaven Coordinating Agency
(In his role as Director of the Administrative Efficiency Initiative)

Senate Bill 321 would amend the Michigan Mental Health Code to authorize community mental health services programs to form nonprofit organizations to provide information technology and administrative support services to social services and health care organizations. The legislation will assist community mental health programs in providing government-mandated services and supports in Michigan for people with serious and persistent mental illness, substance abuse disorders and developmental disabilities and for children with severe emotional disturbances.

Benefits of Legislation

Bay-Arenac Behavioral Health Authority, the Access Alliance of Michigan, its managed care division, and its affiliated community mental health services programs have developed expertise in providing administrative support services that can benefit other community-based health care organizations. This legislation will facilitate serving those organizations.

In addition, this legislation provides the means to consolidate and eliminate duplication of administrative services leading to significant cost savings among our affiliates and other health care providers.

Further, it will provide new sources of funding for mental health services by allowing services to be provided to other social service, health care and human services providers and Mental Health Code providers other than CMH's for a fee. The legislation will allow the CMH to create an organization and structure that will permit the benefits to flow back to CMH or CMH's that created it.

Finally, the legislation will better protect program funds from liability that may arise from providing services to other organizations.

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Why do this with legislation?

The current mental health code does not specifically empower community mental health programs to create other organizations. That authority is sought through this legislation.

There are, however, many precedents in Michigan statutes specifically authorizing governmental entities to form other entities. For example:

Municipality under the Home Rule City Act may authorize the formation of a nonprofit corporation under the nonprofit corporation act for any valid public purpose.

Municipality under the Home Rule City Act may become a member or joint owner in an enterprise with a private nonprofit corporation to create a separate private nonprofit corporation that will establish, operate, or maintain a medical facility for a public purpose.

Municipal housing commission may form or incorporate for-profit corporations, partnerships and companies for any purpose not inconsistent with the purposes for which the municipal housing commission was formed.

Urban redevelopment corporation established under Public Act 52 of 1941 may form or incorporate nonprofit corporations for any purpose not inconsistent with the purposes for which the redevelopment corporation is formed.

CONCLUSION

Consistent with efforts in state government to encourage cooperative purchasing and other measures to create efficiencies in government services, Senate Bill 321 will allow community mental health services programs to coordinate with each other to minimize administrative costs. This structure will facilitate the creation of additional revenue sources by allowing the joint offering of administrative and information technology services to other community-based health care organizations for a fee. This will in turn provide much-needed financial support for community mental health programmatic services.